

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1738-02
Bill No.: HCS for HB 868
Subject: Education, Elementary and Secondary: Motor Carriers
Type: Original
Date: April 10, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)

- SUBJECT TO APPROPRIATION -

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture** and the **Department of Natural Resources** stated that they did not expect the proposal to affect their agencies.

Officials from the **Secretary of State's Office (SOS)** assume the Department of Elementary and Secondary Education (DESE) will promulgate rules to implement this bill. Based on experience with other division, the rules, regulations and forms issued by DESE could require as many as 6 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages (9) are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less than the SOS's estimated cost of \$369 for FY 2002. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Assuming the school districts utilize the maximum amount allowed under the bill, based on .007 of \$132,373.402 (entitlement authorized for 1998-99) and a 4% growth for three years, officials of the **Department of Elementary and Secondary Education** indicated that the maximum effect of the proposal would be:

2002-03:	\$132,373,402.00	x .007 = \$	926,613.81
2003-04:	\$ 926,613.81	x 1.04 = \$	963,678.37
2004-05:	\$ 963,678.37	x 1.04 = \$	1,002,225.50
2005-06:	\$ 1,022,225.50	x 1.04 = \$	1,042,314.52

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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GENERAL REVENUE FUND

<u>Cost</u> - Transfers to State School Moneys Fund	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$0 to \$926,614)</u>	<u>(\$0 to \$963,678)</u>
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- SUBJECT TO APPROPRIATION -

STATE SCHOOL MONEYS FUND

<u>Income</u> - Transfers from General Revenue Fund	\$0	\$0 to \$926,614	\$0 to \$963,678
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<u>Cost</u> - Distributions to School Districts	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
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ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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SCHOOL DISTRICTS

<u>Income</u> - Increased State Aid	\$0	\$0 to \$926,614	\$0 to \$963,678
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<u>Cost</u> - difference between market price of diesel and cost of biodiesel	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses which are biodiesel fuel distributors, manufacturers or retailers and new generation cooperatives could be affected by this proposal.

DESCRIPTION

For school years 2002-2003 to 2005-2006, this bill allows school districts to establish contracts with nonprofit, farmer-owned new generation cooperatives to supply bus fuel containing at least 20% biodiesel. Subject to appropriation, districts that establish contracts will receive additional state school aid for costs above the market price for regular diesel fuel. Initial statewide payments are capped at 0.7% of the 1998-1999 entitlement for state transportation aid, but may be increased by 4% each year.

DESCRIPTION (Continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. The proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Agriculture
Department of Elementary and Secondary Education
Department of Natural Resources
Secretary of State

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
April 10, 2001